Revival of MAMC

*334.SHRI TAPAN KUMAR SEN:

SHRI MOHAMMED AMIN:

Will the Minister of COAL be pleased to refer to answer to Unstarred Question 446 given in the Rajya Sabha on the 16 August, 2007 and state:

(a) the status of implementation of Memorandum of Understanding (MoU) signed on 1 June, 2007 between Coal India Ltd. and DVC, for a facility for manufacturing underground mining machineries in and around Durgapur West Bengal;

(b) whether possibility of acquiring and revamping the existing closed unit of the Mining and Allied Machinery Corporation (MAMC) has been explored, as per the MoU; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRI SHRIPRAKASH JAISWAL): (a) The Memorandum of Understanding (MoU) signed between Coal India Ltd.(CIL) and Damodar Valley Corporation (DVC) was firmed up by an agreement signed on 18.09.2007. Subsequently Bharat Earth Movers Limited (BEML) also joined to form a consortium and a tripartite agreement was signed on 27.09.2007. An application was filed by the consortium praying for the taking over of Mining and Allied Machinery Corporation (MAMC) was heard by the Hon'ble High Court, Kolkata and stay on liquidation was granted. With the leave granted by the Hon'blc Court due diligence was conducted by the consortium.

Following the due diligence, various creditors were approached for waiver of their respective dues. Government of West Bengal has agreed, in principle, to waive its dues if the Central Government look a similar stand. The State Bank of India, being the principal secured creditor, has agreed to settle for a substantially reduced amount. The Government is taking a view on the waiver of the Central Govt. dues. A scheme for taking over MAMC with all its assets (including the township) and meeting all liabilities will be submitted before the Hon'ble High Court for further direction.

In the meantime, the Hon'ble High Court has granted extension of stay from time to time. However, very recently, BEML has expressed its desire to withdraw itself from the consortium in view of the delays in obtaining various approvals and of other current priorities. The expression for withdrawal has to be examined in the light of the provision of the Joint Venture agreement signed by BEML, CIL and DVC.

(b) Yes, Sir. The consortium appointed IIM, Bangalore and IDBI Caps, Mumbai as consultants for conducting the due diligence and preparation of a business plan. The report submitted by the consultants showed that 70% of the existing machines and tools are in workable condition. About 10% could be used after re-conditioning and the balance 20% are to be rejected. Regarding financial issues, the report suggested that if full waivers are granted by both the Central and the State Govt. and the secured creditors, *i.e.* the Banks waive their dues substantially, and also if all the

cases pending in the Hon'ble Court are frozen with regard to liabilities, it would be possible to revive MAMC, with the support of the Govt. of West Bengal in the form of various concessions and moratorium (in line with its industrial policy) and assurance of supply orders from CII and DVC.

(c) Does not arise in view of the reply to part (b) of the question.

Investment by State owned oil companies in Iran

* 335. DR. JANARDHAN WAGHMARE:
SHRI. N.K. SINGH:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether state owned oil companies have forwarded a proposal to Tehran for investing $5 billion in an offshore gas field;

(b) if so, the details thereof?

(c) whether Iran has since responded to their plans;

(d) if so, the details thereof;

(e) whether United States has expressed reservations about Indian investments in Iran's energy sector; and

(f) if so, the reaction of Government in this regard?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MURLI DEORA): (a) and (b) ONGC Videsh Ltd.(OVL) has submitted a proposal for Master Development Plan (MDP) of Farzad - B gas field, Persian Gulf, Iran to the Iranian Offshore Oil Company (IOOC) in compliance to the provisions of the Exploration Service Contract (ESC) for Farsi Block. The amount of the investment will depend on the approval of MDP by Iranian authorities.

(c) and (d) Some technical observations on the proposed MDP were received from Iranian side and were suitably responded by OVL.

(e) The US Government has put in place sanctions against Iran to deter foreign investment in the country including in the energy sector.

(f) Government of India as a matter of policy is opposed to sanctions being placed on any country. It believes that all outstanding issues with Iran should be resolved peacefully through dialogue and negotiation.

Cost of production of natural gas

*336.SHRI M.V. MYSURA REDDY:
SHRI NANDAMURI HARIKRISHNA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether any study has been conducted by his Ministry to estimate the cost of production of natural gas in the country, particularly the KG Basin, including the cost of exploration;